Preserve

App. F. IX-4

192 . (97.. 20/1/53 File No. 20-29

Previous References

97. 20. 29-1-3
" 162-23-1 to Sete
" 213-27-1

Serial Nos. 4,

PRESERVED

Later References two — 2

P-9
(C)

General and Revenue Secretariat.

Serial Nos. one

Part B for Feb 1930.

SUBJECT

Further purchase of Gr. & S.W. Rly Debenture Stock.

G.J 20-29-B4

FINANCIAL SECRETARY
27 JAN. 1930

Unofficial Note No.1474/Books dated 25-1-1930.

Kind reference is invited to correspondence ending with my U.O.Note No.341/Books dated 12-8-29 intimating issue of cable instructions to Messrs.Coutts and Co., on 10-8-29 to stop further purchases of 1938 M.& S.M.Railway Debenture Stock and to limit the purchase rate of 1936 stock to 76%.

2. Since the issue of the above instructions 1936 stock of the face value of £ 14,045/- has been purchased at rates varying between 73¼% and 76% as noted in the margin.

	£ 1,590 @ 76%	
	£ 1,000 @ 73½%	
	£11,455 @ 73¼%	
Total	£14,045	

3. In view of the fact that we have no spare cash for investment now, it seems desirable to stop or to reduce further purchases of 1936 stock, ~~also~~ till our cash position improves. I request orders of Government as to whether I may issue instructions to Messrs. Coutts & Co. by cable to stop further purchases or to reduce the purchase rate to 70% and to limit the total value of purchases during the next four months (February to June) to £ 20,000/-. The latter course is I think preferable.

S. Shamanna
Comptroller.

To

The Financial Secretary
to the Government of Mysore,
Bangalore.

with compliments.

Serial No.

Subd. with the connected papers filed X.

IW D
3/9/

3 Reference is invited to the notes in G.F. file 20-29 which gives an account of the position re the purchase of the Stock of 1936 & 1938.

4 Since May 1924 up to June 1929, the total Stock purchased is 322,722 & 169 509 of 1936 & 1938 Stock respectively. [The rate at which 1938 Stock was purchased in June 1929 was 78%.]

5 Between 5th & 16th July 1929, a further purchase of debentures of £ 7000 (1938) has been made in view of the condition of the market, the Comptroller was asked to issue instructions by cable to Messrs Cantlo & co to stop further purchase of 1938 Stock & consider the purchase rate of 1936 stock limited to 76%.

6 It is now reported that 1936 stock of the face value of £ 14,045 has been purchased at rates varying between 73¼% & 76%.

7 Instructions are now solicited for the stopping of further purchases in view of the fact that we have no spare cash for investment or to reduce the purchase rate to 70%, the total value of purchases being limited to £ 20,000 till the end of June 1930.

IW D
4/2/5

NOTE—Contn. sheet.

WD 066—GPB—30,000—26-7-29

General and Revenue Secretariat | File No. | of 192

Serial No.

8 The prices of India Sterling stocks are stated to have apparently grounded on a basis of price resulting in 6% tax free to an Indian investor. This means that the price offered should be somewhere about 66 or 67 to arrive at this rate. The Comptroller reports that 1936 stocks have been obtained at rates ranging between 73 1/4 to 76. It would perhaps be feasible to restrict the purchase rate to 67 and limit the total purchases also to £ 20000 up to June 30 as proposed by the Comptroller, in view of our money position there. The fall in the rate of the 3½% would indicate that money conditions are yet far from settled in India and it would be too early also to judge whether this may have any unsettling effect on the Indian Sterling Security market in London.

10763/37

8.2.36.

H. Secy)

9 The Bank of England discount rate has been reduced from 5 to 4½ pc. - Mr Snowden - Chancellor of the Exchequer seems also hopeful that money conditions in England will be easy in the near future. Fall in the Indian Sterling Security is apparently temporary - I think it is not desirable to stop further purchases of the 1936 stocks -

10 We do not also seem ready to reduce the rate, for the present. If this step is overtaken also, Crutty, I dare say, will not pay much

11 for the present no instructions need be issued

Note—Contn. Sheet

WD 066—GPB—30,000—26-7-29

3126 dl 3.3.30

[App. F. III—2]

General and Revenue Secretariat | File No. | of 192

Serial No.

of the Compte, modifying the restrictions already in the Bankers – We may watch the conditions of the money market from time to time, before taking action as suggested by the Compte

Hon'ble Members

4725/32

8/2/30

Note

12.2.30

1 Draft sent
WMK
12/2

Draft approved
A.S.(I)
13.2.30

H.Secy (I)

Formal orders issued

U.O.No 114/H.
15.2.30.

13 Forwarded to the Compte for perusal and return –

14/2/30

COMPTROLLER'S OFFICE
15 FEB. 1930
Bks

17.2.30

U.O.No. 1660/Books. dated 18th February 1930.

14 Noted and returned with compliments.

S. Chandrasekhara
Comptroller.

14/2/30

1872

61/Bks/17/2/30

U.O.372 Spl
18.2.30

To

The Financial Secretary
to Government.

A.S.(I)
18.2.30

15 Submitted. This will be put up for orders again, if approved, on the 3rd of March '30 for consideration as regards the limit of purchase if not with reference to the rate –

WMK
19/2/30

A.S.(I)
19.2.30

Note—Contn. Sheet

WD 066—GPB—30,000—26-7-29

Serial No.

Submitted for orders with reference to para 15 of the notes.

WSRm MSK
3/3/30 This matter putting a week hence

AD
3.3.30

Sec B 10-3-30
MSK
3/3/30
Dr SK
10/3/30

Resubmitted for orders as directed.

WSRm
10/3/30 The Bank of England rate has further gone down to 4%. The Statement of Labour Purchases & Stock is found at C. In view of the opinion expressed in paras 9 to 11 no orders seem to be necessary for the present. The rate of Labour Purchase is 6 3/4 -/-

11569/30

Submitted for orders

SK MSK
10/3 No further action is necessary at present. The rate of Purchase has practically declined to what was anticipated. The papers may be closed for the present.

AD
11.3.30

H Secy)

11/3/30

B
12/3/30

tn. Sheet

WD 01684—GPB—30,000—20-4-29

OFFICE OF THE COMPTROLLER, MYSORE GOVERNMENT.

63 Books.

BOOK DEPARTMENT.

Bangalore, dated 4th March 1930.

To

THE FINANCIAL SECRETARY

TO THE GOVERNMENT OF

H. H. THE MAHARAJA OF MYSORE.

No. 5283.

Sir,

In continuation of this office letter No. 62/Books dated 19th February 30.

Date of purchase 31st Jan 30.

Year of Stock 1936.

Face value of Bonds purchased £ 2000/-

Rate 67 3/4 %.

Cost price £1376-1-0 including £24-1-0 on a/c of Cost of stamp. Comm^n Etc.

Total face value of paper purchased up to date (£

1936 Stock £ 76.478/-

1938 Stock £ 85.921/-

Total Cost of the above:-

£124.990-8-2.

Total Stock purchased upto date:-

1936 Stock £ 341.767/-

1938 Stock £ 179.709/-

I have the honor to report that ~~telegraphic~~ intimation has been received from Messrs. COUTTS & Co., ~~intimating the purchase~~ of Two purchases of the marginally noted 4 per cent Madras and Southern Mahratta Railway Debenture Stock.

I have the honor to be,

Sir,

Your most obedient Servant,

for Comptroller.

COM100-200-7-4-20

4 FEB.

L E W I S & J O N E S.

TELEGRAMS:- "STOCKTON"
TELEPHONE:- 21359.

BK. OF BARODA BLDG.,
BOMBAY, 30th Jan. 30.

WEEKLY CIRCULAR.

GOVERNMENT SECURITIES.

Market attention has been concentrated this week upon 3½% Rupee Paper which has been subject to violent fluctuations.

After having touched Rs. 65/12, the price is now back to Rs. 64/12 and looks like falling further.

There have been a few isolated bargains in other stocks. Sellers find it difficult to do business and the general trend appears downward.

The Imperial Bank of India rate is unchanged @ 7%.

Prices of India Sterling Stocks appear to have grounded meantime on a price basis which yields 6% tax free to a resident in this country.

Closing prices of Securities are as follows:-

			Redn. Yield.				Redn. Yield.
3½% Govt. Paper	(taxable)	64-13	4.89	5 % 1939/44	(taxable)	95-2	4.98
4 % Conversion Loan	do	90- 4	5.21	5 % 1933	(taxfree)	99-14	5.04
4 % 1934/37	do	89- 4	5.18	5 % 1945/55	do	100-1	4.99
4 % 1960/70	do	76- 2	4.92	6 % 1930	do	100-1	5.88
4½% 1934	do	95- 0	5.20	6 % 1931	do	100-11	5.60
4½% 1955/60	do	85-12	4.99	6 % 1932	do	101-11	5.37
5 % 1935	do	97- 0	5.11	6½% Bom Dev Loan	do	103-14	5.67
5 % 1929/47	do	95- 4	4.91				

COTTON MILL SHARES.

Outstanding features in this section have been rises in the price of Lombay Dyeings to Rs. 653/12, Fazulbhoy to Rs. 488/12 and Sholapurs to Rs. 3230.

Practically all other shares have been marked down and are becoming more and more difficult to deal in.

We put down the rise in Dyeing and Fazuls to purely speculative operations which the public should not follow. There is no favourable factor making for a rise.

Rumours that an important Bombay House is contemplating t h e acquisition of the Sholapur Mill has brought in buyers altho' the deal does not actually appear to have been completed.

Conditions in the cloth and yarn markets are in no way improved and the decline in raw cotton prices is an adverse factor for the mills holding stocks. Gokaks were done at Rs. 145.

Business for the February account ends tomorrow.
To-day's closing prices are as follows:-

Ahmedabad Adv.	302/8	Finlay.	80.	Mysore.	131/4
Apollo.	2/8	Gokak.	145	New City.	50
Bombay Dyeing.	653/12	Hindustan.	1590	New Great.	133/12
Century Mills.	236/4	Ind. Manfg.	950	Pearl.	236/4
Central India.	418/12	Indore Malwa.	332/8	Phoenix.	288/12
Colaba.	125	Kastoorchand.	6/8	Premier.	1
Crescent.	68/12	Khatau.	68/12	Sassoon Silk	52-8
Currimbhoy.	85	Kohinoor.	140	Sassoon Spg.	5
Dawn Mills.	450	Lakshmi.	1350	Sholapur.	4
E.D. Sassoon.	0-5-0	Madhavji.	11/4	Simplex.	30
Eb. Pabaney.	85	Maneckji Pet.	1000	Swadeshi.	335
Ed. Sassoon.	65	M. Sassoon.	45	Swan.	85
Fazulbhoy.	488/12	Morarji.	415	Vishnu.	2250.

MISCELLANEOUS.

Business in this section has greatly improved, with Cement and Hydro Electric shares a feature.

Bank shares. Rates have advanced slightly on better enquiry with Imperials quoting Rs.1290 and Rs.317-8 respectively. Indias at Rs.94 and Barodas at Rs.77 have been asked for whilst Centrals were done at Rs.16.

Railway shares. Ahmedabad-Prantej have eased to Rs.765 sellers; Hoshiarpurs are Rs.67 and Saras at Rs.77¼. There is still very little doing in railway shares.

Cement shares. Cements have at last taken a decided turn for the better and have seen considerable turnover. Actual investors have had to pay full rates for their shares owing to the action of speculators in forcing up prices so rapidly. We quote:-

Bundi	16/6	Gwalior	80	Indian Cmt.	236/4
Katni	0.183/2	Katni 1st P.	102	Katni 2nd P.	105
do	Defd. 625	P.P.Cmt.O.	11/4	P.P.Cmt.Pref.	10/2
Shahabad.	143/12	United.	54		

Electric Supply shares. Beyond some business in Ahmedabad Electrics at Rs.120 X.D and Karachi Electrics at Rs.142/8, there is very little to report. We quote:-

Ahmedabad	120	Ajmer	10/8	Karachi.	142/8
Surat Ord.	125	Surat New.	70	Surat Pref.	104

Hydro-Electric shares. A good buying enquiry in this section with scrip in short supply has resulted in a rapid rise in quotations. At the close there were unsatisfied buyers of Andhra Ordy. and Tata Power Ordy. both of which look like rising further. We quote:-

	This week.	Last week.		This week.	Last week.
Andhra Ord	655	620	Tata Power Pref.	1022/8	1002/8
" Pref.	955	965	Hydro Ord.	1108/12	1106/4
Tata P.Ord.	492/8	472/8	" Pref.	1020	1017-8

Iron & Steel shares. Tata Iron & Steel shares finish the week at improved levels. Considerable fluctuations have again been seen in the Ordinary and Deferred shares, the operations in which still appear chiefly professional. The first and second preference shares have seen good enquiry. We quote:-

Ordy.	51/8	1st Pref.	131
Defd.	256/14	2nd Pref.	72/12

Engineering shares. Alcocks, the only active speculative counter in this section, is unchanged at Rs.253/12. McKenzies strike a new low level of Rs.90 whilst Tata Constructions are no better than Rs.30/8.

Insurance shares. Insurance shares have a steadier appearance this week with New Indias back to Rs.18/- after business at Rs.17/- done. Other counters are a shade better.

Manganese shares. We have once more to report a decline in Shivrajpurs to Rs.11-6 and C.I.M's to Rs.3. There are small sellers of both at these rates.

Shipping shares. Neither Bombay Steam nor Scindias have come in for much attention this week and quotations of both are hardly changed. Steamer Preference are lower at Rs.205 and yield 7¼%.

Bombay Burmas have again eased to Rs.725 with the partly paid at Rs.273/2. The decline in the former appears due to the weight of floating stock in the hands of speculators.

Bombay Trams are unchanged at Rs.133/12 whereas Telephone Ordy. eased to Rs.52-12 on some selling pressure. The 8½% Debentures quote Rs.53/8. Holders of these should exchange with ordinary shares.

British Burma Petrol are now Rs.4/5 X.D and without much turnover. Burma Corporations continue to fluctuate between Rs.10/4 and Rs.10/8 C.D and we consider them a good mining investment.

---oOo---